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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

In re
STEPHEN CHARLES BRUTON,
Debtor.

AUTOPARTSOURCE LLC,
Plaintiff,
v.

STEPHEN CHARLES BRUTON,
Defendant.

Bankruptcy Case No.: 13-bk-41028

Chapter 7

Adv. Proc. No.: _____

**COMPLAINT FOR DETERMINATION
OF NON-DISCHARGEABILITY OF
DEBT PURSUANT TO 11 U.S.C.
§§ 523(a)(2) AND (a)(6)**

**[11 U.S.C. § 523; Fed. R. Bankr. Proc. 4007
and 7001]**

COMPLAINT FOR DETERMINATION OF NON-DISCHARGEABILITY
OF DEBT PURSUANT TO 11 U.S.C. §§ 523(a)(2) AND (a)(6)

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1 Plaintiff AutoPartSource LLC (“APS”), a creditor in the above-referenced bankruptcy case
2 of debtor Stephen Charles Bruton (“Bruton”), alleges as follows:

3 **I. PARTIES**

4 1. APS is a limited liability company organized under the laws of Delaware with its
5 principal place of business in Virginia. APS’s three limited liability members reside in New
6 Jersey.

7 2. Bruton is an individual citizen of the State of California.

8 **II. JURISDICTION AND VENUE**

9 3. This Adversary Proceeding arises under Title 11 of the United States Code (the
10 “Bankruptcy Code”), and arises in and is related to the bankruptcy case of Stephen Charles Bruton,
11 pending in the United States Bankruptcy Court, Northern District of California, Case No. 13-bk-
12 41028 (the “Bankruptcy Case”).

13 4. This Bankruptcy Court has jurisdiction over this Adversary Proceeding pursuant to
14 28 U.S.C. §§ 1334(b) and 157(a).

15 5. Venue is proper pursuant to 28 U.S.C. § 1409(a).

16 6. This Adversary Proceeding alleges causes of action pursuant to 11 U.S.C. § 523(a)
17 to determine the non-dischargeability of the particular debts alleged herein (exceptions to
18 discharge), and, as such, constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(1) and
19 (b)(2)(I).

20 7. APS consents to the entry of final orders and judgment in this Adversary
21 Proceeding by the Bankruptcy Court.

22 8. A right to a jury trial does not apply to this Adversary Proceeding and APS does not
23 consent to a jury trial in this Adversary Proceeding.

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28 COMPLAINT FOR DETERMINATION OF NON-DISCHARGEABILITY
OF DEBT PURSUANT TO 11 U.S.C. §§ 523(a)(2) AND (a)(6)

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1 21. Cost and vendor quality are extremely critical in selecting vendors to manufacture
2 parts for certain APS customers.

3 22. Due to the unique nature of the services that APS provides and products that APS
4 sells, specific information about contacts, customer needs, price, costs, vendor quality and
5 development of products cannot be recreated from public literature without a significant
6 expenditure of time and effort.

7 23. APS has taken reasonable and necessary precautions to protect its confidential
8 information related to contacts, customer needs, price, costs, vendor quality and development of
9 products.

10 24. APS states its policies concerning confidentiality of its business information in its
11 Employee Handbook.

12 25. All employees, including Bruton, are notified of APS's confidentiality policy
13 contained in its Employee Handbook.

14 26. Only APS's employees have access to APS's confidential and proprietary
15 information in its computer system and each employee who is granted access is required to use an
16 individual username and password. APS further uses usernames to limit proprietary information to
17 certain individuals.

18 27. Most hard copies of confidential and proprietary documents are stored in locked
19 rooms and/or cabinets in APS's headquarters in Richmond, Virginia.

20 28. Visitors who are not employed by APS must sign-in at the front security desk. A
21 security system monitors activity within the Virginia headquarters where the confidential
22 information is stored.

23 29. In an event where APS has a business purpose to share information with a third
24 party, APS requires the third party to execute a non-disclosure agreement.

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Bruton's Employment with APS

30. On April 23, 2004, APS purchased the assets of Qualitee International, a former competitor in the aftermarket undercar industry.

31. Mitchell Bennett ("Bennett") was the President of Qualitee International at the time of the asset purchase negotiations and Bruton was an employee of such company.

32. As a result of the asset purchase, Bruton was terminated from Qualitee International and offered the position of Director of Product Development for APS. He accepted the offer and began working for APS on April 26, 2004.

33. Bennett voluntarily resigned from his position as President of Qualitee International prior to the asset purchase and began working for his church.

34. Initially, Bruton's role was limited to the United States.

35. In Bruton's role as Director of Product Development for APS, Bruton developed business strategies related to parts, including what kinds of parts APS should be developing, what kinds of parts APS should be manufacturing, where APS should be distributing the parts, and to whom APS should be distributing the parts.

36. In Bruton's role as Director of Product Development for APS, Bruton also developed a product numbering system for APS's brake rotors. As the Director of Product Development, Bruton was entrusted with critical responsibilities vital to the vitality and profitability of APS and with critical confidential information concerning APS's confidential and proprietary information, including information related to sales, marketing, pricing, customer contacts, historical customer information, product development and strategic and tactical plans. Moreover, Bruton became familiar with and involved in managing APS's strategic relationships with critical customers, including but not limited to Intex Auto Parts and NAPA Auto Parts.

37. A substantial part of Bruton's responsibilities involved creating and updating several worksheets, data sets, guides and other tools that contained highly-sensitive and critical information relating to APS's dealings with its customers dating back to 1985. These worksheets,

1 data sets, guides and other tools contained specifications and details to allow APS to build parts to
2 meet its customers' needs.

3 38. Bruton was based in APS's Union City, California warehouse, but he traveled
4 several times per year to APS's headquarters in Richmond, Virginia for meetings, and to engage in
5 APS business.

6 **APS Expanded Bruton's Role to Include Sourcing in China**

7 39. In 2010, APS expanded Bruton's role to include sourcing parts in China to obtain a
8 broader product line for its customers. Before this time, Bruton had never been to China for either
9 personal or business reasons. APS trained him on how to source a product internationally so that
10 he could fulfill his new job responsibilities.

11 40. APS assigned Lili Huang ("Huang"), a Chinese national, to assist Bruton with his
12 China sourcing responsibilities.

13 41. Huang had initially been retained by APS earlier in 2010 as a Quality Control
14 Contractor. At the time Huang was retained, she executed an Agreement with APS agreeing she
15 would not represent any other company while contracted by APS. A copy of the Agreement is
16 attached hereto as Exhibit "A" and incorporated herein by such reference.

17 42. After APS expanded Bruton's role, Huang acted as Bruton's interpreter and guide,
18 and facilitated meetings between Bruton on behalf of APS and APS's current and potential
19 Chinese vendors.

20 43. APS first sent Bruton to China in August 2010. APS sent Bruton on two more trips
21 to China in 2011, and another two in 2012. During this time period, Bruton and Huang also
22 attended trade shows in the United States and Canada in which Chinese vendors participated. APS
23 paid Bruton and Huang for all of their travel expenses related to these international trips.

24 44. The business purpose for all of these trips was for Bruton to develop knowledge and
25 contacts for the purpose of sourcing parts for APS.

45. Since the expansion to China, APS has developed relationships with four brake rotor vendors in China. One of the vendors with whom APS directed Bruton to develop a relationship was Longkou Fuyuan Foreign Economy (“Fuyuan”).

46. As a result of Bruton's expanded role, he developed on behalf of APS and was given access to additional trade secret, confidential and proprietary information, including but not limited to information about APS's prospective vendors, APS's relationship with current vendors, what parts were made at certain vendors, the quality of the parts made, the pricing for the parts, what vendor parts were then sold to specific APS customers, the selling price for the parts for each customer and whether it was more profitable to manufacture or source certain parts.

Bruton's Termination from APS

47. Bruton's last trip to China as an employee of APS was on or about December 8, 2012, for the Automechanica Trade Show in Shanghai.

48. Upon Bruton's return from China, he submitted a report to his direct supervisor, David Gonzalez, Vice President of Sales and Marketing ("Gonzalez").

49. Gonzales was disappointed with Bruton's report because it lacked specificity, and with respect thereto, Gonzales questioned Bruton.

50. Bruton became defensive with Gonzalez's questions and did not provide Gonzalez with the specific information that Gonzalez had requested about Bruton's activities on his China trip.

51. Gonzalez suspected that Bruton had not attended the entire trade show, which would explain the reason Bruton was unable to provide a detailed report.

52. On December 28, 2012, Dwayne Foster, Director of Filters (“Foster”), held a conference call facilitated by Huang with NAPA Auto Parts and four of APS’s vendors from China. The purpose of the call was to make arrangements for an upcoming trip to China to visit the vendor factories.

1 53. Immediately after the call, Huang contacted Foster to advise him that she had
2 started her own business with a friend. The business to which she referred was engaged in the
3 wholesale distribution of automotive parts, and thus competes directly with APS.

4 54. Huang indicated that she felt guilty and was suffering because of the secret. Huang
5 admitted she did not want to tell Foster about starting the business earlier because she knew Foster
6 would tell her that she was not permitted to engage in the business while acting as a contractor for
7 APS.

8 55. On this call, Foster did in fact advise Huang that she could not work for another
9 company while working for APS as it would violate her Agreement with APS.

10 56. Foster then contacted the President of APS, John Amalfe (“Amalfe”), who in turn
11 contacted Bruton to determine what he knew about Huang’s new business.

12 57. Bruton initially denied any knowledge of Huang’s new company. Upon further and
13 repeated questioning, Bruton then admitted that he was the friend who had started the business
14 with Huang. Bruton further admitted he did not tell APS about the new business sooner because
15 he needed to continue to collect a paycheck from APS.

16 58. Bruton advised Amalfe during the call that the third partner in the new business was
17 Mitchell Bennett, the former President of Qualitee International.

18 59. The business in which Bruton started with Huang and Michael Bennett is BBH
19 Source Group LLC (“BBH”).

20 60. Bruton is the part owner of BBH.

21 61. BBH’s members reside in China, California and Virginia.

22 62. BBH has offices in both the United States and China and engages in the business of
23 providing wholesale automotive parts, including brake-related products, clutch systems and filters.

24 63. BBH first registered as a limited liability company on November 30, 2011, while
25 Bruton was an APS employee assigned to develop its China parts – sourcing business, and over
26 one year before Huang and Bruton disclosed its existence to APS.

1 64. On December 31, 2012, the Regional Manager of the Union City facility, Alan
2 Moss ("Moss"), met Bruton around 9:00 a.m. (PST). Amalfe was conferenced in to the meeting
3 by phone. Together, Moss and Amalfe terminated Bruton's employment. After the meeting, Moss
4 collected Bruton's laptop, keys, access cards and other company property, allowed Bruton to pack
5 up some of his personal belongings and then escorted him from the building.

6 65. At the time of his termination, Bruton was earning \$90,000 per year, plus bonuses,
7 commissions and benefits. Since August 2011, APS paid Bruton \$160,292.80 in compensation,
8 \$5,693.16 in benefits, and \$36,353.12 in business expenses, including his travel to China. APS
9 further paid Bruton for his accrued but unused vacation totaling \$23,749.94 at the time of his
10 termination.

11 66. APS also ended its contractual relationship with Huang that day. Since August
12 2011, APS paid Huang \$50,509.25 in compensation and reimbursements pursuant to her
13 Agreement.

14 67. After his termination, Bruton reentered the building shortly after 12:00 p.m. (PST)
15 on December 31 and requested access to the company-owned laptop to verify his accrued vacation.
16 The laptop had already been sealed in a box and placed in the area where UPS packages are
17 processed. Reuben Villarreal ("Villarreal"), Warehouse Manager, escorted Bruton to the UPS
18 processing area, unsealed the box and allowed Bruton to access the laptop while he watched over
19 Bruton's shoulder. This access period lasted no longer than five (5) minutes.

20 68. When Bruton was finished, Villarreal put the laptop back in the box, resealed it, and
21 placed the sealed box in the UPS processing area.

22 69. Because December 31, 2012 was New Year's Eve, most of the Union City
23 employees had left the facility earlier than normal. The office officially closed at 5:23 p.m. (PST)
24 and was locked up at that time for the New Year's Day holiday.

1 70. Bruton, or someone acting on Bruton's behalf, unsealed the UPS box and accessed
2 Bruton's former company-owned laptop without APS's knowledge or consent again between 2:22
3 p.m. (PST) to 2:50 p.m. (PST) on December 31 and deleted several electronic files.

4 71. On January 1, 2013, Bruton's son, Stephen C. Bruton, Jr. ("Bruton, Jr.") used his
5 APS security code to access the then-closed building around 12:55 p.m. (PST), and gave his father
6 access to Bruton's former company-owned laptop without APS's knowledge or consent between
7 12:59 p.m. and 2:15 p.m. (PST), so that he could delete several electronic files during this access
8 period.

9 72. The documents Bruton, or someone acting on his behalf, deleted from his former
10 computer contained (i) APS confidential, proprietary and trade secret information and (ii) BBH
11 business documents that had been created during Bruton's employment with APS without APS's
12 knowledge or consent. Bruton (or the person acting on his behalf) deleted these documents
13 without APS's knowledge or consent, and his access to the APS computer was unauthorized.

14 73. Bruton's laptop was repacked in the UPS box, placed back in the UPS processing
15 area as if it had never been opened after Villarreal resealed it on December 31, 2012, and on
16 January 3, 2013, Bruton's former laptop was processed by UPS and mailed in a sealed box to
17 APS's headquarters in Richmond, Virginia.

18 74. Thereafter, APS ordered a forensic analysis of Bruton's former laptop which
19 revealed the above-described unauthorized access to and deletion of a vast number of documents
20 between December 28, 2012 and January 1, 2013. Several of these documents contained APS
21 confidential, proprietary and trade secret documents. At least one of the documents was related to
22 invoices for APS's vendor, Fuyuan.

23 75. Bruton further deleted several of the worksheets, data sets, guides and other tools he
24 created and updated containing highly-sensitive and critical information relating to APS's dealings
25 with its customers. Specifically, Bruton deleted several data sets related to Magneti Marelli, a
26 customer of APS that supplies after-market parts to Chrysler.

1 76. APS had to recreate the data sets before it could manufacture the parts for Magneti
2 Marelli, which resulted in a three month delay for Chrysler to roll out a new product line and
3 substantial lost profits for APS.

4 77. The forensic analysis further showed that Bruton had stored documents taken from
5 his company laptop on two different USB thumb drives, and had accessed those documents from
6 those thumb drives on his company-owned laptop on December 6, 2012 and December 23, 2012.

7 78. On information and belief, the documents stored on the USB thumb drives by
8 Bruton contain APS confidential, proprietary and trade secret documents.

9 79. On information and belief, the thumb drives (or the data stored thereon) are still in
10 Bruton's possession, custody or control.

11 80. The forensic analysis also revealed invoices, price quotes and comparisons,
12 financial records and other documents related to BBH, reflecting that Bruton used his APS
13 company-owned laptop for BBH.

14 81. Skype chats between Bruton and Huang were also recovered during the forensic
15 analysis. Among other things, these Skype chats show that Bruton and Huang planned to start
16 BBH as early as August 2011, that they intended to use their relationships with APS and APS's
17 goodwill and reputation to generate business for BBH, that Bruton tried to direct APS to purchase
18 parts from factories where BBH would receive a commission, and that Bruton and Huang
19 discussed as early as December 2011 how to delete documents from APS's computers to hide their
20 involvement with BBH and intentionally harm APS.

21 **The New Business Competes Directly with APS**

22 82. After the terminations, Amalfe contacted Bennett to discuss the new business.
23 Bennett acknowledged that as they started the new business, and that he, Bruton and Huang had
24 discussed whether they should notify APS and decided against it because they knew APS would
25 terminate both Bruton and Huang.

1 83. Since being told about the new business, APS has learned and alleges on
2 information and belief that Bruton, Huang and Bennett planned to start BBH as early as August 22,
3 2011. At such time, Huang and Bruton discussed a plan over Skype in which Bennett would meet
4 with a potential brake rotor supplier and promised the supplier a new customer (APS) in exchange
5 for a 3% commission. Bruton would then change all of APS's brake rotor business in the local
6 area to the supplier and the commission received by Bennett as a result of APS's business would
7 be used to capitalize BBH.

8 84. BBH competes with APS in the business of wholesale distribution of automotive
9 parts, and specifically, BBH sells premium brake rotors.

10 85. Both Bruton and Huang have (apparently by mistake) submitted expense reports to
11 APS on a form created by APS, but under the BBH logo. Thus, Bruton already has used at least
12 one APS internal document to assist him in the new business.

13 86. For over 18 months before his termination, Bruton had been traveling to China at
14 APS's expense and arranging his own meetings with APS's vendors on behalf of BBH. During
15 this time, Huang had been facilitating these meetings for Bruton.

16 87. In January 2012, BBH sourced brake rotors from Fuyuan, which is one of the
17 vendors in China with whom APS sent Bruton to meet and establish a relationship on behalf of
18 APS. Bruton caused Fuyuan to ship the brake rotors directly to one of APS's customer, Intex
19 Auto Parts for the account of BBH. Over the course of 2012, BBH sourced several other parts
20 from Fuyuan directly to Intex Auto Parts for the account of BBH. Though APS had sent Bruton to
21 China to form the relationship with Fuyuan on its behalf, BBH, rather than APS received any
22 profit or other sums of money from the Fuyuan parts shipped to Intex. Already in 2013, Intex
23 Auto Parts has purchased substantially less parts from APS than it had in the first few months of
24 2012 or any of the preceding years.

25 88. In April 2012, APS sent Bruton to China to meet with a vendor regarding sensors.
26 APS compensated Bruton for his analysis of the sensor vendor's product quality and the vendor's

1 manufacturing capabilities, and further paid for all of Bruton's travel expenses. BBH, rather than
2 APS, is now selling the sensor vendor's products, according to BBH's website.

3 89. Bruton failed to fully attend the Automechanica Trade Show in Shanghai in
4 December 2012, despite APS's direction to do so and in stark contrast to Bruton's assurances that
5 he did indeed attend the entire show. Rather, Bruton used a substantial portion of the December
6 Shanghai trip to meet with potential textile vendors on behalf of BBH.. As a result of Bruton's
7 misrepresentation that he attended the entire trade show, APS covered all of Bruton and Huang's
8 business expenses related to this trip.

9 90. Bruton deliberately and intentionally used APS's trade secret, confidential and
10 proprietary information related to current and prospective vendors, the quality of their products,
11 cost and pricing, and historical sales to customers to contract with APS vendors and potential
12 vendors to benefit himself and BBH (a secret and unauthorized competitor of APS). In so doing,
13 Bruton intended to harm APS because APS and BBH compete to source and sell substantially the
14 same products. Indeed, Bruton and BBH have essentially hijacked APS's vendor relationships
15 while Bruton continued to collect his APS paycheck for a year and a half. The actions of Bruton
16 and BBH were willful, malicious, and reflect a conscious disregard for the rights of APS, and
17 taken with the full knowledge and intent that such actions would injure APS.

18 **Bruton's Deliberate and Intentional Wrongful Actions**

19 91. To the extent not alleged hereinabove, during Bruton's employment with APS,
20 Burton (a) started and engaged in a business that competes with APS while still employed by APS;
21 (b) attempted to fund the competing business with commissions earned as a result of sourcing
22 contracts, customers relationships and business decisions he made on behalf of APS; (c)
23 misappropriated APS's confidential, proprietary and trade secret information; (d) used APS
24 property for his own competitive advantage without APS's authorization; (e) deleted APS
25 proprietary documents without authorization in an effort to cause APS to lose its business
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1 opportunities with customers; and (f) solicited contractors to breach their contractual obligations to
2 APS to join a competitive enterprise.

3 92. APS afforded Bruton broad access to trade secret, confidential and proprietary
4 information, under circumstances giving rise to a duty to maintain their secrecy and limited use.

5 93. APS's trade secret, confidential and proprietary information has independent and
6 economic value to APS by virtue of the fact that it is not generally known to, or readily
7 ascertainable by, others in the industry that might benefit from such information's use.

8 94. Bruton willfully, deliberately, intentionally and improperly used, disclosed,
9 disseminated or otherwise transferred or shared APS's trade secrets, confidential or proprietary
10 information to third parties without authority and without APS's knowledge or consent.

11 95. Bruton deliberately and intentionally used or otherwise accessed APS's computers
12 and/or computer networks to make unauthorized copies of, take, or otherwise obtain or transfer
13 computer data, computer programs and/or software belonging to APS, without APS's knowledge
14 or consent.

15 96. Bruton deliberately and intentionally used and/or accessed computers and/or
16 computer networks to permanently remove, alter, erase, destroy, damage or otherwise disable
17 computer data, computer programs and/or computer software belonging to APS without authority
18 and without APS's knowledge or consent.

19 97. Bruton deliberately and intentionally and without permission or authority took or
20 destroyed the intellectual property of APS.

21 98. Bruton deliberately and intentionally, by any false or fraudulent representation or
22 pretense, defrauded APS of money, labor and/or personal property.

23 99. Bruton's actions were taken intentionally, deliberately, purposefully and without
24 lawful justification.

1 **V. CAUSES OF ACTION**

2 **FIRST CAUSE OF ACTION**

3 **Non-Dischargeability of Debt Pursuant to 11 U.S.C. 523(a)(2)**

4 100. APS incorporates each and every allegation contained above, as if fully set forth
5 herein.

6 101. Since at least since 2011, Bruton either intentionally and deliberately made false or
7 misleading representations to, or, concealed his true intentions from, APS in connection with his
8 employment at APS. During this time period, Bruton received compensation, benefits and
9 reimbursement of expenses.

10 102. Bruton made false or misleading representations or statements and/or concealed
11 material facts at a time he knew such representations or statements to be false or misleading or
12 concealed facts that he should have disclosed to APS, with the intent of deceiving APS.

13 103. APS, not knowing or having any reason to know of Bruton's false or misleading
14 representations or statements and/or concealment, justifiably relied on such representations and
15 statements and/or lacked knowledge of the materially concealed facts.

16 104. As a direct and proximate result of Burton's actions alleged herein, APS has
17 suffered damages, in an amount to be determined, because Bruton received compensation, benefits
18 and reimbursement of expenses from APS.

19 105. As further direct and proximate result of Burton's actions alleged herein, APS has
20 suffered damages and continues to suffer damages, in an amount to be determined, including but
21 not limited to lost profits, loss of business, loss of trade, loss of goodwill, and damage to its
22 reputation.

23 106. Bruton's liability to APS, in an amount to be determined, arises from actions by
24 which he obtained money, property or services by false pretenses, false representation or actual
25 fraud, and, therefore, constitutes a debt that is excepted from discharge (is non-dischargeable)
26 pursuant to 11 U.S.C. § 523(a)(2).

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28 COMPLAINT FOR DETERMINATION OF NON-DISCHARGEABILITY
OF DEBT PURSUANT TO 11 U.S.C. §§ 523(a)(2) AND (a)(6)

1 **SECOND CAUSE OF ACTION**

2 **Non-Dischargeability of Debt Pursuant to 11 U.S.C. 523(a)(6)**

3 107. APS incorporates each and every allegation contained above, as if fully set forth
4 herein.

5 108. Bruton willfully and maliciously injured APS or property of APS by intentionally,
6 deliberately and improperly using, disclosing, disseminating or otherwise transferring or sharing
7 APS's trade secrets, confidential or proprietary information to third parties without authority and
8 without APS's knowledge or consent.

9 109. Bruton willfully and maliciously injured APS or property of APS by intentionally
10 and deliberately using or otherwise accessing APS's computers and/or computer networks to make
11 unauthorized copies of, take, or otherwise obtain or transfer computer data, computer programs
12 and/or software belonging to APS without authority and without APS's knowledge or consent.

13 110. Bruton willfully and maliciously injured APS or property of APS by intentionally
14 and deliberately using and/or accessing APS's computers and/or computer networks to
15 permanently remove, alter, erase, destroy, damage or otherwise disable computer data, computer
16 programs and/or computer software belonging to APS without authority and without APS's
17 knowledge or consent.

18 111. Bruton willfully and maliciously injured APS or property of APS by intentionally
19 and deliberately inducing, aiding and encouraging Huang to breach her contractual obligations
20 with APS and persuading Huang to facilitate meetings for Bruton on behalf of BBH in China
21 and/or with Chinese vendors.

22 112. Bruton willfully and maliciously injured APS or property of APS by intentionally,
23 deliberately and improperly using APS's confidential and proprietary information to contact
24 various vendors in China, including Longkou Fuyuan Foreign Economy, and customers, including
25 Intex Auto Parts, other than for the benefit of APS, with the willful and malicious intent to injure
26 APS and interfere with APS's relationships and business expectancy with these vendors.

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28 COMPLAINT FOR DETERMINATION OF NON-DISCHARGEABILITY
OF DEBT PURSUANT TO 11 U.S.C. §§ 523(a)(2) AND (a)(6)

113. Bruton willfully and maliciously injured APS or property of APS after his termination by intentionally and deliberately conspiring with Bennett and Huang to directly compete with APS using APS's intellectual property, business relationships and misappropriating revenues for the benefit of their jointly owned competitor, BBH.

114. Bruton's actions were wrongful acts, were done intentionally, were without just cause or excuse and necessarily caused injury to APS.

115. As a direct and proximate result of Burton's actions alleged herein, APS has suffered damages and continues to suffer damages, in an amount to be determined, including but not limited to lost profits, loss of business, loss of trade, loss of goodwill, data recreation costs, and damage to its reputation.

116. Bruton's liability, in an amount to be determined, arises from actions by which he willfully and maliciously injured APS and or property of APS, and, therefore, constitutes a debt that is excepted from discharge (is non-dischargeable) pursuant to 11 U.S.C. § 523(a)(6).

VI. PRAYER FOR RELIEF

WHEREFORE, APS prays for judgment as follows:

1. Determining the existence and amount of Bruton's liability to APS;
2. Declaring that Bruton's liability to APS, in an amount to be determined, is excepted from discharge (is non-dischargeable) pursuant to 11 U.S.C. § 523(a)(2) and/or (6);
3. Granting a non-dischargeable judgment in favor of APS and against Bruton, in an amount to be determined, including without limitations, pre-judgment and post-judgment interest as provided by law, reasonable attorneys' fees, costs and expenses; and

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COMPLAINT FOR DETERMINATION OF NON-DISCHARGEABILITY
OF DEBT PURSUANT TO 11 U.S.C. §§ 523(a)(2) AND (a)(6)

1 4. Awarding such other and further relief as the Bankruptcy Court deems just and
2 proper.

3 DATED: May __, 2013

MCGUIREWOODS LLP

5 By: /s/ Payam Khodadadi
6 William H. Kiekhofer, III
7 Payam Khodadadi
8 Attorneys for AutoPartSource LLC
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28 COMPLAINT FOR DETERMINATION OF NON-DISCHARGEABILITY
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EXHIBIT "A"

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COMPLAINT FOR DETERMINATION OF NON-DISCHARGEABILITY
OF DEBT PURSUANT TO 11 U.S.C. §§ 523(a)(2) AND (a)(6)



This Agreement made this 25th day of January 2010 by and between AutoPartSource LLC and Lili Huang (Representative) to contract Lili Huang as a representative of AutoPartSource in China. Representative is not to represent any other company while contracted by AutoPartSource. This contract is for a minimum of a 40 hour work week beginning January 25, 2010. AutoPartSource requires that representative supply a weekly report of projects worked each 40 hour week period. AutoPartSource will compensate representative on a monthly basis of \$ 1,000 USD per month for representative's work. AutoPartSource will use the weekly report supplied by the representative as an invoice for compensation purposes. Representative is to work from a home office in Dong Guan City (which is the city where PVI and Luao Filter Company are located). Representative will be compensated for travel expenses when representative travels outside of Dong Guan City to visit a factory, AutoPartSource or other business related travel at the request of AutoPartSource. Compensation for these travel expenses will be paid from a completed expense report that will be supplied by AutoPartSource and filled out by representative.

Duties of this contract will be but not limited to:

1. Assistance with AutoPartSource employees, and or customers of AutoPartSource while staying and or traveling in China. Including but not limited to arranging accommodations and scheduling travel, plant tours and meetings.
2. Visiting the factories in China on a regular basis and reporting findings to AutoPartSource.
3. Working with AutoPartSource employees and the factories to resolve any issues or help with any project that pertains to AutoPartSource.
4. Visiting the factories and or raw material suppliers to the factories on a regular basis but also at the request from the factory or AutoPartSource to review production and assure quality control (including but not limited to measuring parts to drawings) and report findings to AutoPartSource.
5. Traveling to the AutoPartSource main office in Richmond, Virginia for training and meetings as requested.
6. Finding and or working with potential new factories under the direction of AutoPartSource.
7. Phone calls or meetings with AutoPartSource to review activities or projects we are working on.

Representative will work with our current factories and any new or potential new factories under AutoPartSource direction to resolve any issues, concerns or research with product, production, packaging, timing of orders, new product development, drawings, paperwork, PPAP process, etc. that is needed.

Representative will work on the Chinese work and holiday schedule. This contract's initial term will have a 90 day probation period. After that 90 day probation period unless

EXHIBIT "A"

this contract is terminated it will be for one year and will automatically renew after one year unless otherwise changed or terminated. Termination of this contract may also be necessary based on a violation of this agreement, poor performance or economic conditions. If termination of this contract is necessary for any reason a 30 day written notice will be given.

By signing this contract AutoPartSource agrees to supply Representative with the training, information and tools needed to honor this contract to the best of representative's abilities.

By signing this contract Representative agrees to perform the duties of this contract to the best of representative's ability. Representative also agrees to keep strictly confidential any sensitive, customer or factory information, etc. that may be shared with representative. The information regarding customers, factories or any other business between AutoPartSource, it's factories, customers and or Representative is strictly confidential and is not to be shared or discussed with factories, customers or others that may damage or hurt AutoPartSource as a business or its business relationships.

Representative Signature



Representative Printed Name

Lili Huang

AutoPartSource Representative

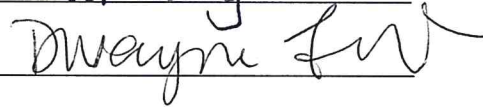


EXHIBIT "A"